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Satellite Committee

Services Division

25X1A9a At the Committee meeting on 20 March 1957, a panel consisting of [REDACTED] discussed the current unemployment problem in some of the Satellites. At present, East Germany and Czechoslovakia are experiencing labor shortages, while Bulgaria, Hungary, Poland and Rumania are experiencing considerable amounts of unemployment. In Bulgaria, the figure is estimated to be as high as 380,000 unemployed, or 9 percent of the labor force. In all 4 countries unemployment is caused in part by substantial reductions in government staffs. Hungary's difficulties are largely the result of the revolution and its aftermath. The relatively greater seriousness of the current unemployment, supposedly nonexistent in communist states, is indicated by the fact that each country has found it necessary to take measures specifically designed to create jobs and alleviate the hardships suffered by jobless workers. In the discussion following the panel presentation, it was pointed out that the problem of unemployment was related to the problem of finding markets for Satellite products. Difficulties along these lines, coupled with cutbacks in investment recently indicated, suggest that unemployment may be a continuing problem for the Satellites for some time.

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On 27 March, [REDACTED] will brief the Satellite Committee on the recent loan discussions between the Polish delegation and the Department of State.

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